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FISCAL IMPACT STATEMENT

LS 6848

BILL NUMBER: SB 272

NOTE PREPARED: Feb 8, 2013

BILL AMENDED: Feb 7, 2013

SUBJECT: Opioid Treatment Program and Controlled Substances.

FIRST AUTHOR: Sen. Miller Patricia

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill has the following provisions:

- (1) Requires an opioid treatment program (OTP) to transmit specified information concerning a patient to the Indiana Scheduled Prescription Electronic Collection and Tracking program (INSPECT) before dispensing or administering a controlled substance to the patient.
- (2) Requires the Medical Licensing Board of Indiana to adopt rules establishing standards and protocols in the prescribing of controlled substances.
- (3) Beginning January 1, 2014, requires dispensers to transmit certain prescription drug information to INSPECT.
- (4) Requires, during the 2013 legislative interim, the Division of Mental Health and Addiction (DMHA) to provide the Health Finance Commission with specified information concerning opioid treatment programs.

Effective Date: July 1, 2013.

Explanation of State Expenditures: (Revised) *Summary:* This bill could increase the workload of the DMHA to ensure required information is reported to the INSPECT program. Increases in workload are expected to be minimal.

Additionally, the bill specifies study topics for the Health Finance Commission and requires the Division of Mental Health and Addiction (DMHA) to provide specific information to the Health Finance Commission during the 2013 interim.

Additional Information:

INSPECT Reporting: Currently, pharmacists are required to report the following information to the INSPECT program when dispensing opioids (IC 35-48-7-8.1):

- (1) The patient's name.
- (2) The patient's date of birth.
- (3) The National Drug Code number of the dispensed controlled substance.
- (4) The date the controlled substance was dispensed.
- (5) The quantity of the dispensed controlled substance.
- (6) The U.S. Drug Enforcement Agency registration number of the dispenser/prescriber.
- (7) Other data required by the program.

The bill would require OTP staff who administer opioids to report the same information currently required of pharmacists who dispense opioids to INSPECT. Currently, OTP staff who administer opioids do not have to report information to INSPECT.

Requiring OTPs to report the information to the INSPECT program is expected to have no impact to the state because OTPs will be required to purchase the necessary technological capabilities to report the required information.

Failure to provide the required information contained in the bill could be punishable under current administrative code governing the DMHA's regulation of OTPs (440 IAC 10-3-1 and 440 IAC 10-3-8). To the extent OTPs fail to provide the required information to INSPECT, DMHA workload could increase to take remedial action.

(Revised) Additionally, the bill requires dispensed prescription medicine information to be submitted to the INSPECT program. This requirement will further increase the amount of information transmitted for inclusion in INSPECT. INSPECT is administered by the Professional Licensing Agency (PLA). The PLA reports the increase in information that would result from this bill can be managed with currently existing staffing and resources.

Medical Licensing Board of Indiana: The bill also requires the Medical Licensing Board to adopt rules establishing standards and protocols for prescribing controlled substances. This provision is expected to have no fiscal impact on the Medical Licensing Board.

(Revised) *Health Finance Commission:* The bill specifies that the Health Finance Commission is to study the use of methadone and opioid treatment programs and clinic settings during the 2013 interim. This requirement is expected to have no fiscal impact. Additionally, the bill requires the DMHA to provide certain information to the Health Finance Commission by September 1, 2013. This requirement will increase the workload of the DMHA, but this requirement is expected to be fulfilled with existing staffing and resources.

Explanation of State Revenues: If this bill increases the number of OTPs who are found to have violated state law requiring INSPECT reporting, the state could see additional revenue from any civil penalties levied by the Director of the DMHA (440 IAC 10-3-8). Any increase in state revenue is indeterminable, but expected to be small.

(Revised) *Penalty Provision*: Because the bill adds requirements to current law regarding transmission of information to INSPECT, the potential exists for individuals to knowingly or intentionally violate these requirements, which would be punishable as a Class A misdemeanor (IC 35-48-7-14). To the extent an individual knowingly or intentionally fails to report required information to the INSPECT program, the number of Class A misdemeanors in the state could increase, but any increase is expected to be small.

If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class A misdemeanor is \$5,000. However, any additional revenue would likely be small.

Explanation of Local Expenditures: (Revised) *Penalty Provision*: A Class A misdemeanor is punishable by up to one year in jail.

Explanation of Local Revenues: (Revised) *Penalty Provision*: If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

State Agencies Affected: DMHA, Medical Licensing Board, PLA.

Local Agencies Affected: Trial courts, local law enforcement agencies.

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